
MONOLINE WIND OR HAIL INSURANCE CERTIFICATE

THIS IS A LIMITED CERTIFICATE. READ IT CAREFULLY. THE COVERAGE PROVIDED IS SUBJECT TO LIMITATIONS, RESTRICTIONS AND EXCLUSIONS.

I. AGREEMENT

We insure you and your legal representatives against direct physical loss to insured property caused by the peril of wind or hail if you:

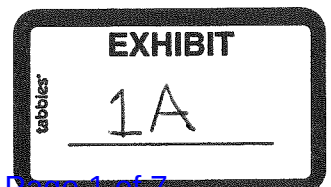
1. Have paid the correct premium;
 2. Comply with all terms and conditions of this certificate; and
 3. Have furnished accurate information and statements.
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II. DEFINITIONS

As used in this certificate, the words "we", "us" and "our" shall mean the insurer providing this insurance. "You" and "your" shall mean the insured(s).

The following are other key definitions that we use in this certificate:

- 1) **Actual Cash Value.** The cost to replace an insured item of property at the time of loss, less the value of its physical depreciation.
- 2) **Building.**
 - a) A structure that is walled and roofed and affixed to a permanent site, and includes a building in the course of construction, alteration, or repair.
 - b) A manufactured home (also known as a mobile home) is a structure built on a permanent chassis, transported to its site in one or more sections and affixed to a permanent foundation.
- 3) **Cancellation.** The ending of the insurance coverage provided by this certificate before the expiration date.
- 4) **Certificate.** The entire written contract between you and us. It includes:
 - a) This printed form
 - b) The **Declarations Page**; and
 - c) Any endorsements that may be issued.
- 5) **Declarations Page.** A computer-generated summary of information that describes, among others, the term of the certificate, limits of coverage and deductible.
- 6) **Described Location.** The legal description, or common street address, of real property which has been pledged under a valid deed of trust, mortgage document, or any other mortgage instrument as security for a loan made or assumed by an insured and upon which a building is situated.



- 7) **Dwelling.** A building designed for use as a residence for no more than four families or a single-family unit in a building under condominium form of ownership.
- 8) **Hail.** A precipitation in the form of small balls or lumps usual consisting of concentric layers of clear ice and compact snow,
- 9) **Hurricane.** A storm that has been declared to be a hurricane by the National Hurricane Center of the Nation Weather Service. The duration of the hurricane includes the time period in the state where the described location is located:
- a) Beginning at the time a hurricane watch or hurricane warning is issued by the National Hurricane Center of the National Weather Service;
 - b) Continuing for the time period during which the hurricane conditions exist; and
 - c) Ending 72 hours following the termination of the last hurricane warning issued by the National Hurricane Center of the National Weather Service.
- 10) **Improvements.** Fixtures, alterations, installations, or additions comprising a part of the insured dwelling or unit.
- 11) **Insurable Interest.** Any interest a person or entity has in the described location, of such nature that a covered peril might cause that person or entity financial loss.
- 12) **Insured.** The assured named on the **Declarations Page** and any lender(s) added as additional insured(s) by endorsement.
- 13) **Insured Property.** The building or the dwelling and other structures on the described location (property address).
- 14) **Occupied.** A building that is not vacant or unoccupied.
- 15) **Other Structures.** Structures such as garages, carports and storage buildings, on the same premises as the main building insured under this certificate. Other structures do not include structures:
- a. Rented or held for rental to any person not an owner or tenant of the dwelling, unless used solely as a private garage; or
 - b. Used in whole or in part for commercial, manufacturing or farming purposes.
- 16) **Owner.** The current mortgagor or borrower who has an interest in the described location, at the time of loss.
- 17) **Unit.** A single-family unit in a condominium building.
- 18) **Unoccupied.** A building with sufficient furniture, fixtures and furnishings to allow human habitation but in which there is no person in residence.
- 19) **Vacant.** A building that has neither occupants nor contents for more than thirty (30) consecutive days immediately before a covered loss. A building being constructed is not considered vacant. For purposes hereof, an apartment building shall be deemed vacant if more than thirty-three percent (33%) of all units have been vacant for more than thirty (30) consecutive days immediately before a covered loss.
- 20) **Wind.** The peril of wind, windstorm, hurricane, wind gusts, tornadoes or cyclones.

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VIII. CONDITIONS

A. Insurable Interest and Limit of Liability

This certificate provides indirect coverage to the owner's insurable interest in the insured property that has been pledged as security for a loan you have made to the owner. Regardless of the insurable interests of the owner and any other person in the insured property, you are our sole insured under this certificate. Even if more than one person has an insurable interest in the insured property, we shall not be liable for more than the amount of insurance you had purchased.

B. Binding of Coverage

With respect to the binding of coverage, the following conditions and provisions apply:

1. In the absence of other specific insurance, you and we agree that coverage for each described location shall commence on the date and for the amounts of insurance you have requested, provided that no loss has occurred or is in progress as of your request date; and shall remain in force for the coverage term that applies to the described location, but not longer than twelve (12) months without our written consent.
2. You may insure any described location for a binder period of not more than ninety (90) days from the inception date, provided that the inception date requested is not more than thirty (30) days from your request date and that no loss has occurred or is in progress as of your request date.
3. If binder coverage for the described location is not cancelled by the end of the binder period, we will convert the binder to an annual coverage effective on the inception date of the binder.
4. Upon conversion of the binder to annual coverage, the annual premium and all fees, if any, become immediately due and payable.
5. If a loss occurs during the binder period, the binder shall be immediately converted to annual coverage retroactive to the inception date of the binder.
6. At our sole option, we shall notify the owner, as prescribed by law, of your insurance coverage bound under the certificate for the described location.

C. Pairs and Sets

In case of loss to an article that is part of a pair or set, we will have the option of paying you:

1. An amount equal to the cost of replacing the lost, damaged or destroyed article, minus the depreciation; or
2. The amount that represents the fair proportion of the total value of the pair or set that the lost, damaged, or destroyed article bears to the pair or set.

D. Glass Replacement

Covered loss to glass in a dwelling shall be settled on the basis of replacement with safety glazing materials when required by an ordinance or law.

E. Concealment or Fraud and Voidance of Coverage

1. With respect to all insureds under this certificate, coverage for any described location:
 - a. Is void;

4. If we give you or owner written notice within thirty (30) days after we receive your or owner's signed, sworn proof of loss, we may:
 - a. Repair, rebuild, or replace any part of the lost, damaged, or destroyed property with material or property of like kind and quality or its functional equivalent; and
 - b. Take all or any part of the damaged property at the value we agree upon or its appraised value.
5. At our option, we may accept our adjuster's report of the loss instead of your or owner's proof of loss. Our adjuster's report will include information about your loss and the damages that you or owner sustained. You or owner must sign our adjuster's report. At our option, we may require you or owner to swear to the report.
6. Any false statements made in the course of presentment of a claim under this certificate may be punishable by fine or imprisonment under applicable State or Federal laws.

M. Loss Payment

1. We will make all loss payments under this certificate directly to you. Loss is payable within sixty (60) days after your or owner's proof of loss or within ninety (90) days after the insurance adjuster files an adjuster's report signed and sworn to by you or owner in lieu of a proof of loss and:
 - a. We reach an agreement with you;
 - b. There is an entry of a final judgment; or
 - c. There is a filing of an appraisal award with us as provided in VIII.P.
2. If we reject your or owner's proof of loss in whole or in part, you may:
 - a. Accept our denial of your claim;
 - b. Exercise your rights under this certificate; or
 - c. You or owner may file an amended proof of loss, as long as it is filed within sixty (60) days of the date of the loss.
3. You may not assign your right to receive any portion of the loss payment without our prior consent. Any such assignment shall be invalid and may be disregarded by us. You shall indemnify, defend, and hold us and our representatives harmless from any damage resulting from any claim or misapplication of the proceeds of any loss payment in violation of the interests of the owner, the deed of trust, mortgage document, or other mortgage instrument.
4. In the event the premium for the damaged property at the described location has not yet been paid at the time of the loss payment, we may, at our option, deduct the unpaid premium from the loss payment.

N. Abandonment

You may not abandon to us damaged or undamaged property insured under this certificate.

O. Salvage

We may permit you or owner to keep damaged insured property after a loss, and we will reduce the amount of the claim proceeds payable to you under this certificate.

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- **BACKDATING OF COVERAGE** -

The **Evidences of Insurance** issued this Master Policy may be backdated, as necessary; however, such **Evidences of Insurance** may not be backdated prior to the effective date of the mortgage between the Mortgagee and the Mortgagor or prior to the effective date of this Master Policy, whichever effective date is later.

All other terms and conditions of the policy remain the same.

COVERAGE GUARANTY AND AUTOMATIC COVERAGE ENDORSEMENT

Coverage provided by this endorsement will attach on the effective date shown on the **Declarations Page** or the date the Mortgagee's interest in the loan attaches, whichever is later, and shall continue until:

1. the Mortgagee provides written notice to us of their intention to terminate this Master Policy, or
 2. the Mortgagor no longer has an interest in the insured property as the result of a foreclosure,
- which ever occurs first.

We agree to provide coverage under this endorsement:

1. to indemnify the Mortgagee named on the **Declarations Page** for all eligible properties securing loans within the Mortgagee's portfolio, for which property insurance is required; and
2. with respect to property insurance coverage requested by computer tape or direct electronic data interface, for any property not reported to the producer shown on the **Declarations Page** due to the Mortgagee's erroneous, but not intentional, failure to order property insurance coverage.

Limits of Insurance with respect to this endorsement only:

The amount of coverage provided under this endorsement is limited to the unpaid principal balance of the loan on the date of loss caused by perils insured against as outlined in the coverage form (THBWind001) up to a maximum of \$1,000,000 on any one loan regardless of the number of mortgages in the Mortgagee's portfolio, number of property losses, number of Mortgagors or claims for loss or damage brought.

Exclusions:

Coverage provided under this endorsement will not apply to and we will not pay any claim with respect to:

1. any property for which the Mortgagee has previously waived the property insurance requirement;
2. any property which is already covered by a property insurance policy.

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Conditions:

All of the following conditions apply to this endorsement. The Mortgagee must:

1. maintain procedures to track the status of property insurance on all eligible mortgages;
2. place all forced order property insurance with us;
3. take all reasonable steps to secure coverage to protect its interest and our interest in the event that required property insurance is cancelled or lapses. Reasonable steps include, but are not limited to, acting upon receipt of any cancellation or non-renewal notice by immediately notifying us and requesting coverage; and
4. allow us or anyone we designate to audit of the Mortgagee's mortgage portfolio at any time as we deem fit.

Other insurance:

Coverage provided by this endorsement is excess over any other collectible insurance, whether such insurance is provided on a primary, excess, contingent, or any other basis. Notwithstanding the limits of insurance provided herein, under no circumstances will we be obligated to pay more than the amount as determined under Paragraph S., Loss Settlement of the Master Policy minus the amount collectible under any other insurance for the same loss regardless of the peril for which coverage is provided under such other insurance.